

## Chinese Mode of Production

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'Mode of production' is a core concept of historical materialism and takes an important position in Marx's theoretical system. As a socialist country ruled by the Communist Party of China (CPC), the People's Republic of China (PRC) explicitly upholds Marxism as its guiding ideology. At the same time, there is a significant gap between the historical evolution of its mode of production and the viewpoints generally ascribed to Marxism. It is therefore of great significance to examine the concrete content, contradictory features and developmental trends of the contemporary Chinese mode of production in order to evaluate the advantages and disadvantages of Marx's thought and to understand its contemporary value.

In 1949, after 22 years of armed struggle, the CPC established the PRC. Although China was still an agricultural country, and did not qualify for establishing a socialist mode of production as Marx expected it, with the completion of the Socialist Transformation in 1956 a Soviet-style socialist mode of production was nevertheless established. From then until 1978 China implemented complete public ownership and a highly centralized planned economic system. During this period the Chinese mode of production basically 'conformed to' Marx's general definition of socialism, which he proposed in *Capital* and the *Critique of the Gotha Program*.

After 1978 the CPC no longer subscribed to Marx's general idea of the socialist mode of production and gradually implemented reforms and initiated an opening up of the economy. On the basis of the cumulative historical experience of economic construction since the founding of the PRC, the party gained the insight that a planned economy is not conducive to the rapid development of productivity and the rapid improvement of people's living standards. In the 1980s it proposed that China is in the primary stage of socialism and that exclusive public ownership and a fully planned economy are incompatible with the less-developed state of its productive forces. In the 1990s the party put forward the view that a planned economy and a market economy do not represent essential attributes of socialism, on the one hand, and capitalism, on the other, and that non-public ownership is an important part of a socialist market economy. Under the guidance of this understanding China has gradually created an ownership system with various forms of ownership and transformed into a socialist market economy, while public ownership remains at its core.

Whether or not the Chinese mode of production is still to be considered socialist is a major issue drawing attention at home and abroad. Although there is a huge difference between the Chinese case and Marx's general idea, the former still possesses the basic characteristics of socialism even according to Marx's own standard, while it also developed many similarities with capitalism described by Marx.

In terms of ownership structure, on the one hand, the assets of enterprises under non-public ownership now account for more than half of the total assets of enterprises. On the other hand, however, according to Chinese law, rural land belongs to the village collective, and urban land and natural resources belong to the state, which ensures that public ownership still occupies a dominant position. At the same time, important industries such as finance, energy, transportation, communications and national defense, which are vital to the national economy, are still under the control of the state, ensuring that the state-owned economy dominates the national economy.

In terms of resource allocation, the market has a fundamental role in the allocation of resources, and the vast majority of products is priced by the market and can be freely traded. On the other hand, the state, with its own means of production and regulatory industrial policies, can exercise strong macroeconomic control over the market and plays an important role in maintaining the balance of the total economy, promoting economic restructuring and optimizing the layout of productive forces.

Overall, although China's non-public ownership economy has enjoyed tremendous growth, and the market's fundamental role in resource allocation has also been established, public ownership still holds the dominant position and the government can still control the general operation of the economy. In other words, capital plays an important, but not yet the defining, role in the operation of the Chinese economy, whereas the government still has a decisive influence. This structure maintains the socialist nature of the Chinese mode of production.

It should be noted that this socialist mode of production in an obviously capitalist style is not stable and that capitalist factors have a strong tendency to erode and attack the socialist factors. This instability is embodied by the trend that commodity and monetary relations tend to dominate the political operation of the system. The leading role of the publicly-owned economy and the state's macro-control must all be implemented by the government. The CPC and the Chinese government exercise a kind of democratic centralism, which, to some extent, prevents capital from grasping political power through controlling the elections. At the same time, the system's design is too centralized to avoid corruption, allowing capital to bribe and interfere with political power for its own profit. How to ensure that the party and government operate in accordance with the political logic required by public ownership to effectively control capital, and make non-public enterprises and market economies serve the development of social productive forces and improve peoples' lives, has become the core issue that the CPC faces. Whether or not the problem can be properly solved will have a direct bearing on how the nature of the Chinese mode of production will change. However, due to the centralized nature of the system under the leadership of the CPC, the solution to this

problem depends largely on the personal will of the supreme leaders, which leads to a great deal of uncertainty.

In Marx's view, as far as the general law of the evolution of human society is concerned, the transformation of modes of production is based on the level of development of the productive forces rather than the arbitrary choice of humans' subjective will. At the same time, Marx does not deny that this law can have its own unique form of realization in different countries. The subjective will of humans can in some cases promote or delay the realization of general laws of development.

Due to its special national conditions, China established the socialist mode of production without going through a capitalist stage. However, the lack of productive forces corresponding to capitalism makes its socialist mode of production instable, which forces the government to reintroduce certain capitalist factors. It seems like the capitalist mode of production thereby makes a new appearance in China. At the same time, the government seeks to guide these capitalist factors toward developing productive forces and improving peoples' livelihood within the basic framework of the socialist mode of production in order to lay the foundation for consolidating and developing that production. Just as the establishment of the socialist mode of production in China relies on the correct application of humans' subjective will, whether the capitalist factors in China's current mode of production can be effectively manipulated to avoid changing the radical nature of the socialist mode of production ultimately depends largely on the ruling wisdom of the CPC.

All in all, the historical transformation of the Chinese mode of production still seems to be regarded as a proof of the Marxist theory of history. And it shows that under certain historical conditions the capitalist mode of production may take a specific form, but it cannot be completely skipped as an indispensable element of the evolution of the mode of production.